

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 EB-11 INR-11 NSAE-00 RSC-01 FAA-00 PM-07 H-03

L-03 NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 OMB-01

TRSE-00 CIEP-03 IO-14 DRC-01 /141 W

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R 261231Z JUL 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4037

INFO USMISSION BERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION NATO BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 BONN 11831

E.O. 11652:GDS

TAGS: PFOR, ETRN, WB, GW, US, UK, FR

SUBJECT: CIVAIR: BERLIN AIR SERVICES BCATAG

REF: BONN 10581

1. SUMMARY: AT JULY 23 BCATAG MEETING, FRG RAISED QUESTION OF TEGEL SOUTH RENTS REQUESTING THAT CAAS FORMALLY APPROVE LEVEL OF RENTS TO COME INTO FORCE ONCE FRG SUBSIDY AVAILABLE FOR MOVE EXHAUSTED. FORMAT FOR IGS DATA TO BE PROVIDED TC FRG WAS ALSO DISCUSSED. CAAS MAINTAINED POSITION THAT ACTION ON RENTALS AT TEGEL SOUTH SHOULD AWAIT COMPLETION OF AIRLINE/SENAT TALKS AND PROMISED TO BE AS FORTHCOMING AS POSSIBLE IN PROVIDING FRG WITH IGS DATA. END SUMMARY

2. AT JULY 23 BCATAG MEETING, FRG REP KRONECK RAISED TEGEL RENTS IN THE CONTEXT OF CURRENT AIRLINE/SENAT TALKS. HE REPORTED THAT FRG HAD AGREED TO MAKE A ONE-TIME CONTRIBUTION OF DM 10 MILLION FOR ALL CARRIERS
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MOVING TO TEGEL SOUTH. ON THE ASSUMPTION THAT DM 1 MIL-

LION WOULD BE UTILIZED FOR DIRECT MOVING EXPENSES, FRG AND SENAT CALCULATED THAT THE BALANCE COULD BE USED TO SUBSIDIZE THE PRESENT TEMPELHOF LEVEL OF RENTS AT TEGEL SOUTH THROUGH MARCH, 1976. AFTER THIS DATE FRG WOULD EXPECT RENTS AT TEGEL SOUTH TO BE INCREASED TO THE LEVELS APPLIED FOR BY THE BERLIN AIRPORT COMPANY (BFG) IN 1973; I.E., ABOUT DM 20 MARKS PER SQUARE METER. OF COURSE, IF THE AIRLINES REQUIRE MORE THAN DM 1 MILLION FOR MOVING AND/OR THE CONSTRUCTION OF ADDITIONAL PARKING SPACES, THE AMOUNT AVAILABLE FOR A RENT SUBSIDY WOULD BE PROPORTIONATELY REDUCED. SIMILARLY, THE AIRLINES COULD OPT TO ACCEPT A STAGED ADVANCE IN RENTS DURING THEIR FIRST YEAR AT TEGEL SOUTH SO AS TO AVOID ONE LARGE INCREASE.

3. DURING THE ENSUING DISCUSSION IT BECAME CLEAR THAT THE FRG WAS CONCERNED THAT A SITUATION COULD ARISE IN WHICH ITS SUBSIDY WAS EXHAUSTED AND THE BFG STILL LACKED CAA APPROVAL TO INCREASE RENTS. TO AVOID THIS, THE FRG NOW WANTED A FORMAL CAA DECISION SETTING THE UNSUBSIDIZED LEVEL OF RENTS AT TEGEL SOUTH SO AS TO ENSURE THAT THESE RENTS WOULD COME INTO FORCE AUTOMATICALLY, I.E., WITHOUT THE ADDITIONAL CAA APPROVAL. BRITISH AND US CAAS REPLIED THAT SINCE ANOTHER AND PERHAPS DECISIVE MEETING BETWEEN THE AIRLINES AND THE SENAT WAS SCHEDULED FOR JULY 26, FURTHER CONSIDERATION OF THE RENT ISSUE SHOULD BE DELAYED UNTIL A SPECIFIC PLAN FOR A MUTUALLY ACCEPTABLE UTILIZATION OF THE FRG'S SUBSIDY WAS DEVELOPED. IN RESPONSE TO A QUESTION BY THE BRITISH CAA, BERLIN REP KROLL CONFIRMED THAT THE SENAT ENVISAGED THAT ALL AIRLINES USING TEGEL SOUTH WOULD BE CHARGED IDENTICAL RENTALS AND FEES.

4. KRONECK THEN TURNED TO QUESTION OF FORMS PREPARED BY THE MINISTRY OF TRANSPORT (FMT) FOR THE DEVELOPMENT OF

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 11831

STATISTICAL DATA ON THE IGS. ON FIRST REVIEW, CAAS SAID THAT THE FORMS CALLING FOR TRAFFIC DATA APPEARED SIMILAR TO THOSE FILLED OUT PREVIOUSLY IN CONNECTION WITH FARE INCREASE EXERCISES BUT WERE SOMEWHAT MORE DETAILED. US AND BRITISH CAAS OBSERVED HOWEVER THAT ONE FORM ENTITLED "COSTS AND OPERATING REVENUES OF BERLIN AIRLINES" WOULD REQUIRE FURTHER CONSIDERATION SINCE IT (A) WAS TO BE FILLED OUT BY INDIVIDUAL CARRIERS; AND (B) INCLUDED COSTS CATEGORIES WHICH MIGHT NOT CORRESPOND TO ACCOUNTING PROCEDURES USED BY BA AND PAA. KRONECK UNDERSTOOD THE PROBLEM AND SAID THE FRG WOULD BE UNDERSTANDING IF ADJUSTMENTS HAD TO BE MADE IN THE FORM. US CAA REPEATED US DESIRE TO BE AS FORTHCOMING AS POSSIBLE IN PROVIDING FRG WITH ADEQUATE STATISTICAL BACKGROUND ON IGS AND PROMISED TO BE IN TOUCH WITH THE GERMAN BCATAG REPS ON THE SUBJECT IN THE NEAR FUTURE. THE BRITISH AND FRENCH CAAS RESPONDED IN A SIMILAR VEIN.

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5. IN A BRIEF DISCUSSION AFTER THE MEETING, KRONECK TOLD EMBASSY CAA THAT HE HAD NOT RAISED LANDING AND PARKING FEES BECAUSE HE AS YET HAD NO CLEAR INDICATION WHERE THEY MIGHT FIT INTO THE TEGEL SOUTH PICTURE. HE CALLED LATER TO SAY HE UNDERSTOOD THAT THERE WAS A GOOD POSSIBILITY THE FEES COULD BE INCLUDED IN THE FINAL PACKAGE DEAL.

6. COMMENT: WE ASSUME THAT THE FRG WILL INSIST ON A FIRM GUARANTEE THAT TEGEL RENTS WILL AUTOMATICALLY INCREASE AND IT APPEARS TO US THAT SOME FORM OF A CAA ACTION TO THIS END WOULD BE APPROPRIATE ONCE FINAL PACKAGE AGREED TO BY THE AIRLINES. WITH RESPECT TO DATA

REQUESTED BY THE FRG, WE WOULD BE INCLINED TO PROVIDE AS MUCH AS IS REASONABLY ACCESSIBLE TO THE CARRIERS -- INCLUDING FIGURES ON COSTS AND REVENUES OF THE INDIVIDUAL AIRLINES. WE ARE POUCHING COPIES OF THE FORMS TO THE DEPT. (EUR/CE, EB/OA). DEPT'S COMMENTS WOULD BE APPRECIATED.
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